

House Amendment 1273

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1 1 Amend Senate File 433, as passed by the Senate, as
1 2 follows:
1 3 #1. Page 10, by inserting after line 33 the
1 4 following:
1 5 _____. UNEMPLOYMENT TRUST FUND. There is
1 6 appropriated from moneys transferred to the state on
1 7 March 13, 2002, pursuant to section 903(d) of the
1 8 federal Social Security Act, as amended, to the
1 9 department of workforce development, the following
1 10 amount, to be deposited, under the direction of the
1 11 department of workforce development, in the
1 12 unemployment trust fund for the payment of
1 13 unemployment benefits for the first year of the
1 14 unemployment compensation reserve fund, and temporary
1 15 suspension of the base period wage requirement of one
1 16 and one-quarter times the base period quarter with the
1 17 highest wages:
1 18 \$ 40,000,000
1 19 Sec. _____. UNEMPLOYMENT TAX AND CLAIM SYSTEM.
1 20 There is appropriated from moneys transferred to the
1 21 state on March 13, 2002, pursuant to section 903(d) of
1 22 the federal Social Security Act, as amended, to the
1 23 department of workforce development, the following
1 24 amount, for purposes of automation and technology for
1 25 the unemployment tax and claim system:
1 26 \$ 20,000,000
1 27 Sec. _____. ENHANCED SERVICES TO CLAIMANTS. There
1 28 is appropriated from moneys transferred to the state
1 29 on March 13, 2002, pursuant to section 903(d) of the
1 30 federal Social Security Act, as amended, to the
1 31 department of workforce development, the following
1 32 amount, for purposes of infrastructure improvements
1 33 and the administrative and technology costs associated
1 34 with enhanced services to unemployment benefit
1 35 claimants for workforce and labor exchange services:
1 36 \$ 20,700,000>
1 37 #2. Page 12, by inserting after line 25 the
1 38 following:
1 39 _____. Section 96.4, subsection 4, unnumbered
1 40 paragraph 1, Code 2003, is amended to read as follows:
1 41 The individual has been paid wages for insured work
1 42 during the individual's base period in an amount at
1 43 least one and one-quarter times the wages paid to the
1 44 individual during that quarter of the individual's
1 45 base period in which the individual's wages were
1 46 highest except for unemployment benefit claims with an
1 47 effective date of July 7, 2003, through June 30, 2007;
1 48 provided that the individual has been paid wages for
1 49 insured work totaling at least three and five-tenths
1 50 percent of the statewide average annual wage for
2 1 insured work, computed for the preceding calendar year
2 2 if the individual's benefit year begins on or after
2 3 the first full week in July and computed for the
2 4 second preceding calendar year if the individual's
2 5 benefit year begins before the first full week in
2 6 July, in that calendar quarter in the individual's
2 7 base period in which the individual's wages were
2 8 highest, and the individual has been paid wages for
2 9 insured work totaling at least one-half of the amount
2 10 of wages required under this subsection in the
2 11 calendar quarter of the base period in which the
2 12 individual's wages were highest, in a calendar quarter
2 13 in the individual's base period other than the
2 14 calendar quarter in which the individual's wages were
2 15 highest. The calendar quarter wage requirements shall
2 16 be rounded to the nearest multiple of ten dollars.>
2 17 #3. Page 12, by inserting after line 25 the
2 18 following:
2 19 2 20 a, Code 2003, is amended to read as follows:
2 21 a. An employer other than a governmental entity or
2 22 a nonprofit organization, subject to this chapter,
2 23 shall pay an administrative contribution surcharge
2 24 equal in amount to one-tenth of one percent of federal
2 25 taxable wages, as defined in section 96.19, subsection

2 26 37, paragraph "b", subject to the surcharge formula to
2 27 be developed by the department under this paragraph.
2 28 The department shall develop a surcharge formula that
2 29 provides a target revenue level of no greater than six
2 30 million five hundred twenty-five thousand dollars
2 31 annually. The department shall reduce the
2 32 administrative contribution surcharge established for
2 33 any calendar year proportionate to any federal
2 34 government funding that provides an increased
2 35 allocation of moneys for workforce development
2 36 offices, under the federal employment services
2 37 financing reform legislation. Any administrative
2 38 contribution surcharge revenue that is collected in
2 39 any calendar year ~~2002~~ in excess of six million five
2 40 hundred twenty-five thousand dollars shall be deducted
2 41 from the amount to be collected in the subsequent
2 42 calendar year ~~2003~~ before the department establishes
2 43 the administrative contribution surcharge. The
2 44 department shall recompute the amount as a percentage
2 45 of taxable wages, as defined in section 96.19,
2 46 subsection 37, and shall add the percentage surcharge
2 47 to the employer's contribution rate determined under
2 48 this section. The percentage surcharge shall be
2 49 capped at a maximum of seven dollars per employee.
2 50 The department shall adopt rules prescribing the
3 1 manner in which the surcharge will be collected.
3 2 Interest shall accrue on all unpaid surcharges under
3 3 this subsection at the same rate as on regular
3 4 contributions and shall be collectible in the same
3 5 manner. Interest accrued and collected under this
3 6 paragraph and interest earned and credited to the fund
3 7 under paragraph "b" shall be used by the department
3 8 only for the purposes set forth in paragraph "c".
3 9 Sec. 502. Section 96.7, subsection 12, paragraph
3 10 d, Code 2003, is amended to read as follows:
3 11 d. This subsection is repealed July 1, ~~2003~~ 2008,
3 12 and the repeal is applicable to contribution rates for
3 13 calendar year ~~2004~~ 2009 and subsequent calendar
3 14 years.>

3 15 #4. Page 12, by inserting after line 25 the
3 16 following:

3 17 . Section 96.9, Code 2003, is amended by
3 18 adding the following new subsection:

3 19 NEW SUBSECTION. 8. UNEMPLOYMENT COMPENSATION
3 20 RESERVE FUND.

3 21 a. A special fund to be known as the unemployment
3 22 compensation reserve fund is created in the state
3 23 treasury. The reserve fund is separate and distinct
3 24 from the unemployment compensation fund. All moneys
3 25 collected as reserve contributions, as defined in
3 26 paragraph "b", shall be deposited in the reserve fund.
3 27 The moneys in the reserve fund may be used for the
3 28 payment of unemployment benefits and shall remain
3 29 available for expenditures in accordance with the
3 30 provisions of this subsection. The treasurer of state
3 31 shall be the custodian of the reserve fund and shall
3 32 disburse the moneys in the reserve fund in accordance
3 33 with this subsection and the directions of the
3 34 director of the department of workforce development.

3 35 b. If the balance in the reserve fund on July 1 of
3 36 the preceding calendar year for calendar year 2004 and
3 37 each year thereafter is less than one hundred million
3 38 dollars, a percentage of contributions, as determined
3 39 by the director, shall be deemed to be reserve
3 40 contributions for the following calendar year. If the
3 41 percentage of contributions, termed the reserve
3 42 contribution tax rate, is not zero percent as
3 43 determined pursuant to this subsection, the combined
3 44 tax rate of contributions to the unemployment
3 45 compensation fund and to the unemployment compensation
3 46 reserve fund shall be divided so that a maximum of
3 47 ninety percent of the combined tax rate equals the
3 48 unemployment contribution tax rate and ten percent of
3 49 the combined tax rate equals the reserve contribution
3 50 tax rate except for employers who are assigned a
4 1 combined tax rate of five and four-tenths or greater.
4 2 For those employers, the reserve contribution tax rate
4 3 shall equal zero and their combined tax rate shall
4 4 equal their unemployment contribution rate. When the
4 5 reserve contribution tax rate is determined to be zero
4 6 percent, the unemployment contribution rate for all

4 7 employers shall equal one hundred percent of the
4 8 combined tax rate. The reserve contributions
4 9 collected in any calendar year shall not exceed twenty
4 10 million dollars. The provisions for collection of
4 11 contributions under section 96.14 are applicable to
4 12 the collection of reserve contributions. Reserve
4 13 contributions shall not be deducted in whole or in
4 14 part by any employer from the wages of individuals in
4 15 its employ. All moneys collected as reserve
4 16 contributions shall not become part of the
4 17 unemployment compensation fund but shall be deposited
4 18 in the reserve fund created in this subsection.
4 19 c. Moneys in the reserve fund shall only be used
4 20 to pay unemployment benefits to the extent moneys in
4 21 the unemployment compensation fund are insufficient to
4 22 pay benefits during a calendar quarter.
4 23 d. The interest earned on the moneys in the
4 24 reserve fund shall be deposited in and credited to the
4 25 reserve fund.
4 26 e. Moneys from interest earned on the unemployment
4 27 compensation reserve fund shall be used by the
4 28 department only upon appropriation by the general
4 29 assembly and only for purposes contained in section
4 30 96.7, subsection 12, for department of workforce
4 31 development rural satellite offices, and for
4 32 administrative costs to collect the reserve
4 33 contributions.>
4 34 #5. Page 12, by inserting after line 25 the
4 35 following:
4 36 4 37 Session, chapter 2, section 2, unnumbered paragraph 4,
4 38 is amended to read as follows:
4 39 The department shall submit a report of its annual
4 40 departmental offices review to the governor and
4 41 general assembly by December 21, 2001, by December 21,
4 42 2002, and by December 21, ~~2003~~ of each subsequent
4 43 ~~calendar year through December 21, 2008.~~
4 44 Sec. _____. EFFECTIVE DATE. Sections 501, 502, and
4 45 503 of this Act, being deemed of immediate importance,
4 46 take effect upon enactment.>
4 47 #6. Title page, by striking line 4 and inserting
4 48 the following: 4 49 statutory changes, and providing an effective date.>
4 50 #7. By renumbering as necessary.

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5 4 MURPHY of Dubuque
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5 8 FORD of Polk
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5 12 THOMAS of Clayton
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5 16 HOGG of Linn
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5 20 GASKILL of Wapello
5 21 SF 433.501 80
5 22 tm/pj